

Message Text

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50-S

ACTION ARA-20

INFO OCT-01 ISO-00 AID-07 OMB-01 COME-00 TRSE-00 EB-05

IGA-02 L-03 AGR-03 SWF-02 DRC-01 RSC-01 /046 W

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P 101435Z APR 74

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC PRIORITY 2722

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FOR ASSISTANT SECRETARY KUBISCH AND ASSISTANT ADMINISTRATOR
KLEINE FROM AMBASSADOR

E.O. 11652: N/A

TAGS: EGEN

SUBJECT: TITLE II PL 480

REF: STATE 066590

1. ALTHOUGH I UNDERSTAND VERY WELL THE SEVERE CONSTRAINTS GOVERNING PL 480 PROGRAMS, I MUST SAY IN ALL CANDOR THAT THE DECISION TRANSMITTED IN STATE 066590 CONSTITUTES SHARP PRACTICE AND COMES VERY CLOSE TO OUTRIGHT BAD FAITH. IF I, WHO CAN APPRECIATE THE DIFFICULTIES, PRESSURES AND OCCASIONAL ARBITRARINESS INVOLVED IN WASHINGTON, CONSIDER THAT THE DECISION IS WELL BELOW THE MINIMUM STANDARDS FOR FAIR DEALING, THE GOB REACTION CAN BE IMAGINED. THE DECISION, BASED ON THE EXPLOITATION OF A HIGHLY TECHNICAL-- AND NOVEL--POINT INTERNAL TO THE USG, IS SIMPLY UNEXPLAINABLE TO THE GOB. ANY WAY IT MIGHT BE PUT, IT COMES OUT AS A CLEARCUT VIOLATION OF BILATERAL UNDERSTANDINGS ENTERED INTO IN GOOD FAITH BY USAID AND THE GOB.

2. BECAUSE OF THE DRASTIC LIMITATIONS ON PL 480 SUPPLIES, THE GOB HAS COME RELUCTANTLY AND AMID COMPLAINTS--HONEST ONES--OF REAL HARDSHIP TO ACCEPT THE SHARPLY LOWERED AVAILABILITIES. THIS ACCEPTANCE IS THE RESULT OF CAREFUL
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EXPLANATION OF SHORTAGES BY USAID AT ALL LEVELS OF THE

MINISTRIES AND STATE GOVERNMENTS CONCERNED. THE PROCESS HAS NOT BEEN AN EASY ONE BUT IT HAS BEEN REASONABLY SUCCESSFUL IN PERSUADING THE AUTHORITIES THAT THE USG, AND THE WORLD, ARE FACED WITH CERTAIN GRIM REALITIES.

3. IN THE PROCESS, USAID, ACTING STRICTLY IN ACCORDANCE WITH AUTHORIZATION AND INSTRUCTIONS FROM AID/W, HAS INFORMED THE GOB AUTHORITIES OF THE FY 1974 AUTHORIZED LEVELS, AND GOB PLANNING HAS BEEN ADJUSTED, PAINFULLY, TO THOSE LEVELS, WELL BELOW THE NEED. NOW, WE ARE INSTRUCTED TO GO TO THE GOB AND SAY, IN EFFECT: "FORGET IT, GENTLEMEN. WE DIDN'T TELL YOU ABOUT CATCH-22, WHICH HAS JUST BEEN FOUND (OR DECREED). YOU'RE GETTING NOTHING--OR NEXT TO NOTHING--OF WHAT YOU HAD EVERY REASON TO EXPECT AND PLAN ON--SORRY ABOUT THAT."

4. I AM SURE THAT YOU AGREE THAT THIS IS HARDLY COMPATIBLE WITH THE MAINTENANCE OF MINIMUM CREDIBILITY AND TRUST WITH A NEW GOVERNMENT ALREADY UNEASY AND SUSPICIOUS ABOUT USG ECONOMIC ACTIONS THAT INVOLVE ITS VERY IMPORTANT INTERESTS. THE ABRUPTNESS, HARSHNESS AND UNDISGUISEABLE ARBITRARINESS OF THE PL 480 DECISION CAN EASILY BE VIEWED AS ANOTHER ACT IN A SERIES. THE GOB, AS I HAVE REPORTED ELSEWHERE, HAS THUS FAR RESIGNED ITSELF QUITE WELL TO THE PHASING-OUT OF THE USAID BY 1978, BUT THE PL 480 DECISION--WHICH IN EFFECT IS A FURTHER RAPID ACCELERATION OF THE PLANNED PHASE-OUT OF THE TITLE II GOVERNMENT-TO-GOVERNMENT PROGRAM BY 1976--IS GOING TO MAKE THE REST OF THE PATH TO PHASE-OUT MORE DIFFICULT.

5. THE FOREGOING COMMENTS ARE MADE ON THE "POLICY" PLANE. ON THE HUMANITARIAN PLANE, THE PEOPLE PLANE--ABOUT WHICH WE HAVE PRIDED OURSELVES SO MUCH IN TITLE II PROGRAMS--THE EFFECTS OF THE DECISION WILL BE SEVERE IN ITS IMPACT UPON SCHOOLCHILDREN IN THE NORTHEAST.

6. FOR BOTH POLICY AND HUMANITARIAN REASONS, AND IN ORDER TO MAINTAIN OUR GOOD NAME, FOR IT COMES DOWN TO THAT, I URGE YOU BOTH MOST STRONGLY TO TAKE A HAND IN HAVING THIS DECISION THAT BORDERS ON THE UNCONSCIONABLE LIMITED OFFICIAL USE

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REVERSED SO THAT THE \$2.2 MILLION AUTHORIZED FOR FY 1974 IS REINSTATED. WITH RESPECT TO THE OFFER OF \$600 THOUSAND IN BLENDED FOOD, I POINT OUT THAT IT ONLY EMPHASIZES THE ARBITRARINESS OF THE BASIC DECISION AND THE TRANSPARENT NATURE OF CATCH-22.
CRIMMINS

NOTE BY OCT: DISSEMINATION COORDINATED WITH S/S-O, MR. SARROS.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN RELATIONS, PL 480 TITLE 2, FOREIGN ASSISTANCE LAW, FOREIGN ASSISTANCE APPROPRIATIONS, FOREIGN ASSISTANCE PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BRASIL02440
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740082-0637
From: BRASILIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740453/aaaabvvv.tel
Line Count: 114
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: STATE 066590
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 09 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 SEP 2002 by boyleja>; APPROVED <11-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TITLE II PL 480
TAGS: EGEN, BR, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005